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BILL



ANALYSIS

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Senate Bills 1330 and 1333 (as reported without amendment)
Sponsor: Senator Jason E. Allen (S.B. 1330)
Senator Gilda Z. Jacobs (S.B. 1333)
Committee: Senior Citizens and Veterans Affairs

Date Completed: 6-28-10

RATIONALE

The downtown development authority (DDA) Act allows municipalities (cities, villages, and townships) to form downtown development authorities in order to fund improvements to their business districts, and provides for the powers and duties of DDA boards. An authority may finance its activities by various methods, including tax increment financing (which "captures" tax revenue on the incremental increase in property values in the district). Similarly, the Corridor Improvement Authority Act allows a municipality to form a corridor improvement authority to capture the incremental growth in tax revenue from property located in a development area. Among other things, a DDA board and a corridor improvement authority may plan and propose the construction, renovation, or rehabilitation of a public facility that may aid in the economic growth of the downtown district or corridor improvement district. The definition of "public facility" in both Acts includes such items as a street, plaza, park, recreational facility, and structure dedicated to the public use or used by a public agency. As part of an effort to improve accessibility to public facilities for senior citizens, it has been suggested that DDAs and corridor improvement authorities should be statutorily authorized to finance heated sidewalks.

CONTENT

Senate Bill 1330 would amend the downtown development authority Act to specify that "public facility" would include heated sidewalks.

Senate Bill 1333 would amend the Corridor Improvement Authority Act to include heated sidewalks in the definition of "public facility".

MCL 125.1651 (S.B. 1330)
125.2873 (S.B. 1333)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

As the population of the U.S. and Michigan continues to age, and the large "baby boomer" cohort enters retirement years, Michigan needs to create communities that embrace an aging and disabled population. According to the Area Agencies on Aging Association of Michigan, seniors are a \$32 billion economic force in the State, which creates jobs that will not be outsourced to other locations. Michigan must compete to retain this population and its resources by making the State's communities more elder friendly.

One way to make Michigan a more appealing location for seniors, and others with potential mobility issues, is to promote the development of heated sidewalks that will keep walkways free of snow and ice. Eliminating those barriers not only would improve seniors' quality of life and ability to use walkways, but also could help to promote business activity. Heated sidewalks are not a luxury, but may be necessary for some people, including senior citizens, to get around and be engaged in their community. They allow people to get from a

parking lot or street into a store or other facility more safely than if they had to negotiate ice and snow. By allowing DDAs and corridor improvement authorities to use their financing capability to develop heated sidewalks, the bills would help protect the health and safety of seniors as well as retain their economic contribution to the State's communities.

Response: Arguably, DDAs and corridor improvement authorities may fund the addition of heated sidewalks under existing statutory language. Authorities typically opt not to do so because limited funding, not a lack of authorization. Unless property values in a district increase, there is no tax increment reserve to capture.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: Eric Scorsone

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.